

PSJ3

Exhibit 561B

APPENDIX F

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by and between the United States Department of Justice, through the United States Attorney's Offices for the Districts of New Jersey, Middle Florida, Southern Texas, Western Washington, Colorado, Northern Georgia, and Central California ("United States") and Cardinal Health, Inc., for itself and on behalf of its subsidiary entities which hold the registrations listed in Attachment A to this agreement (collectively "Cardinal") (each a "Party" and collectively the "Parties").

RECITALS

1. Cardinal is in the business of distributing branded and generic prescription drugs, as well as over-the-counter medications, to retail pharmacies throughout the United States. In furtherance of this business objective, Cardinal operates numerous distribution facilities in the United States, including the seven facilities more fully described in Attachment B to this Agreement ("the Seven Facilities").
2. As described in Attachment A, Cardinal holds Certificates of Registration issued by the Drug Enforcement Administration ("DEA") authorizing it to distribute controlled substances from each of its distribution facilities that handle controlled substances, including the Seven Facilities described in Attachment B.
3. Cardinal is required to operate the Seven Facilities in accordance with the statutory and regulatory provisions of the Controlled Substances Act, 21 U.S.C. § 801 *et seq.* ("the CSA").
4. Each of the Seven Facilities supplies prescription medications, including controlled substances, to retail pharmacies and other health care providers within the respective jurisdictions as stated in Paragraph 8.

5. DEA is the Department of Justice component agency primarily responsible for administering the CSA and is vested with the responsibility of investigating CSA violations.
6. The Attorney General, through the United States Attorneys, has primary authority to bring civil actions to enforce the CSA in the Districts noted above. *See* 21 U.S.C. § 871 and 28 C.F.R. § 0.55(c).
7. Hydrocodone is a medication whose manufacture, distribution, sale and possession is regulated by DEA under the CSA. This includes a requirement to report customer orders for controlled substances that are suspicious as the term is defined under 21 C.F.R. § 1301.74(b).
8. The “Covered Conduct” shall mean the following alleged conduct:
 - A. Within the District of New Jersey: From January 2005 through August 2007, Cardinal-Swedesboro sold more than 4.5 million dosage units of hydrocodone to three pharmacies (IVRx Pharmacy in Springfield, New Jersey; Newcare Home Health Services in Baltimore, Maryland; and Phamily Pharmacy in Washington, D.C.), and failed to report these sales as suspicious orders to DEA when discovered, as required by and in violation of 21 C.F.R. § 1301.74(b) and 21 U.S.C. § 842(a)(5);
 - B. Within the Middle District of Florida: From August 2005 through October 2007, Cardinal-Lakeland sold more than 8 million dosage units of hydrocodone to ten pharmacies in the Tampa area (Medipharma-Rx, Inc., DRM Enterprises, Inc., Jen-Mar Pharmacy Services, Inc., Armenia Pharmacy, Inc., National Pharmacy, Inc., Parulmed Corporation, Q-R-G-, Inc., RKR Holdings, Inc., United Prescription Services, Inc., and Satellite Drug and Pharmacy) and failed to report these sales as suspicious orders to DEA when discovered, as required by and in violation of 21 C.F.R. § 1301.74(b) and 21 U.S.C. § 842(a)(5);
 - C. Within the Southern District of Texas: From March 2006 through September 2007, Cardinal-Stafford sold more than 7.5 million dosage units of hydrocodone to fifteen pharmacies in the Houston area (Richmond Pharmacy, AK Pharmacy, Farmacia de Medica, Parkway Pharmacy, Farmacia del Pueblo, Magnum Road Pharmacy, Mastery Pharmacy, Amex Pharmacy #3, Local Pharmacy, HP Pharmacy, I-10 East Pharmacy, Xavier Pharmacy, TXRX Pharmacy, Park Place Pharmacy, and King’s Pharmacy) and failed to report these sales as suspicious orders to DEA when discovered, as required by and in violation of 21 C.F.R. § 1301.74(b) and 21 U.S.C. § 842(a)(5);
 - D. Within the Western District of Washington: From March 2007 through November

2007, Cardinal-Auburn sold more than 900,000 dosage units of hydrocodone to Horen's Drugstore, Inc., in Burlington Washington and failed to report these sales as suspicious orders to DEA when discovered, as required by and in violation of 21 C.F.R. § 1301.74(b) and 21 U.S.C. § 842(a)(5);

E. Within the District of Colorado: From January 2006 through February 2006, Cardinal-Denver sold large quantities of hydrocodone to Hometown Pharmacy in Trinidad, Colorado, and failed to report these sales as suspicious orders to DEA when discovered, as required by and in violation of 21 C.F.R. § 1301.74(b) and 21 U.S.C. § 842(a)(5);

F. Within the Northern District of Georgia: From April 2007 through October 2007, Cardinal-McDonough sold large quantities of hydrocodone to Poly-Plex Pharmacy in Atlanta, Georgia, and failed to report these sales as suspicious orders to DEA when discovered, as required by and in violation of 21 C.F.R. § 1301.74(b) and 21 U.S.C. § 842(a)(5);

G. Within the Central District of California: From September 2006 through January 2007, Cardinal-Valencia sold large quantities of hydrocodone to Boulevard Pharmacy in Sun Valley, California, and failed to report these sales as suspicious orders to DEA when discovered, as required by and in violation of 21 C.F.R. § 1301.74(b) and 21 U.S.C. § 842(a)(5).

9. By entering into this Agreement, Cardinal does not admit to the violations alleged as a result of any DEA investigation, or to any violation of law, liability, fault, misconduct, or wrongdoing.

10. At all times relevant to the activity alleged in these Recitals and Attachments, the CSA (21 U.S.C. § 842(c)(1)) authorized the imposition of a civil penalty of up to \$25,000 for most violations of Section 842, but, violations of § 842(a)(5) (record keeping and reporting violations) are subject to a civil penalty of up to \$10,000 for each violation.

11. To avoid the delay, expense, inconvenience, and uncertainty of litigation of these claims, the Parties agree to settle, compromise, and resolve all existing or potential claims for civil penalties the United States may have against Cardinal under § 842 of the CSA based on the Covered Conduct as further described in Paragraphs 13 and 14 below.

12. This Agreement is neither an admission of liability by Cardinal nor a concession by the United States that its claims are not well founded. In consideration of the mutual promises, covenants, and obligations set forth in this Agreement, the Parties agree as follows:

TERMS AND CONDITIONS

13. Cardinal shall pay to the United States the sum of Thirty-Four Million Dollars (\$34,000,000) (the "Settlement Amount") within thirty (30) days of the effective date of this Agreement, payable as follows:

A. For Conduct Alleged to have Occurred within the District of New Jersey: Cardinal shall pay the sum of Three Million Dollars (\$3,000,000). Payment shall be by electronic funds transfer to the United States Attorney's Office, District of New Jersey, pursuant to instructions provided by the United States.

B. For Conduct Alleged to have Occurred within the Middle District of Florida: Cardinal shall pay the sum of Sixteen Million Dollars (\$16,000,000). Payment shall be by electronic funds transfer to the United States Attorney's Office, Middle District of Florida, pursuant to instructions provided by the United States.

C. For Conduct Alleged to have Occurred within the Southern District of Texas: Cardinal shall pay the sum of Eight Million Dollars (\$8,000,000). Payment shall be by electronic funds transfer to the United States Attorney's Office, Southern District of Texas, pursuant to instructions provided by the United States.

D. For Conduct Alleged to have Occurred within the Western District of Washington: Cardinal shall pay the sum of Three Million Five Hundred Thousand Dollars (\$3,500,000). Payment shall be by electronic funds transfer to the United States Attorney's Office, Western District of Washington, pursuant to instructions provided by the United States.

E. For Conduct Alleged to have Occurred within the District of Colorado: Cardinal shall pay the sum of One Million Dollars (\$1,000,000). Payment shall be by electronic funds transfer to the United States Attorney's Office, District of Colorado, pursuant to instructions provided by the United States.

F. For Conduct Alleged to have Occurred within the Northern District of Georgia: Cardinal shall pay the sum of One Million Five Hundred Thousand Dollars (\$1,500,000). Payment shall be by electronic funds transfer to the United States Attorney's Office, Northern District of Georgia, pursuant to instructions provided by the United States.

G. For Conduct Alleged to have Occurred within the Central District of California: Cardinal shall pay the sum of One Million Dollars (\$1,000,000). Payment shall be by electronic funds transfer to the United States Attorney's Office, Central District of California, pursuant to instructions provided by the United States.

14. In consideration of the undertakings by Cardinal, the United States agrees to settle and relinquish all claims for civil penalties it may have under 21 U.S.C. § 842 against Cardinal, its officers, directors, and employees for possible violations of the CSA, and the regulations promulgated thereunder, based on the Covered Conduct.

15. Cardinal fully and finally releases the United States, its agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) which it has asserted, could have asserted, or may assert in the future against the United States, its agencies, employees, servants, and agents, related to the investigation, prosecution and settlement of this matter.

16. Notwithstanding any term of this Agreement, specifically reserved and excluded from its scope and terms as to any entity or person are the following:

A. Any potential criminal liability;

B. Any criminal, civil or administrative claims arising under Title 26, U.S. Code (Internal Revenue Service);

C. Any administrative liability, including mandatory exclusion from any federal programs;

D. Any liability to the United States for any conduct other than that covered by the release in Paragraph 14; and

E. Any claims based on such obligations as are created by this Agreement.

17. Cardinal acknowledges that each of its DEA registered facilities is required to comply

with the controlled substance record keeping and reporting requirements of the CSA. Cardinal represents that it has taken good-faith actions to detect and prevent diversion including agreeing to implement the policies and procedures that are the subject of an administrative settlement agreement between it and DEA.

18. Cardinal agrees that any and all costs it has or will incur in connection with this matter -- including payment of the Settlement Amount under this Agreement, attorney's fees, costs of investigation, negotiation, and remedial action -- shall be unallowable costs for government contract accounting and for Medicare, Medicaid, TriCare, and FEHBP reimbursement purposes.

19. This Agreement is not intended by the Parties to be, and shall not be interpreted to constitute, a release of any person or entity not identified or referred to herein.

20. This Agreement shall be governed by the laws of the United States. If a dispute arises under this Agreement between Cardinal and an Office of the United States Attorney signing this Agreement, exclusive jurisdiction and venue shall lie in the federal judicial district of the Office with whom the dispute arose, and to the extent that state law applies to the dispute, the law of the State within the jurisdictional district shall apply. If a dispute arises under this Agreement between Cardinal and more than one of the United States Attorney's Office signing this Agreement, exclusive jurisdiction and venue shall lie in the District of New Jersey and to the extent that state law applies to the dispute, the law of the state of New Jersey shall apply.

21. The Parties agree that this Agreement does not constitute evidence or an admission by any person or entity, and shall not be construed as an admission by any person or entity, with respect to any issue of law or fact.

22. This Agreement constitutes the entire agreement between the Parties and cannot be


amended except in writing and when signed by all the Parties to this Agreement.

23. Cardinal acknowledges that its authorized representatives have read this Agreement and understand that as of its effective date, it will be a matter of public record.

24. Each person who signs this Agreement in a representative capacity warrants that he or she is fully authorized to do so.

25. This Agreement shall become effective (i.e., final and binding) on the date of signing by the last signatory (the "Effective Date"). It may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement. The government agrees to notify Cardinal immediately when the final signatory has executed this Agreement.

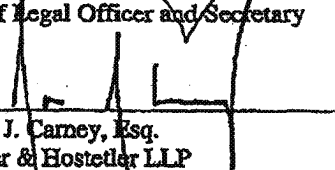
On Behalf of Cardinal Health:


R. Kerry Clark
Chairman and Chief Executive Officer

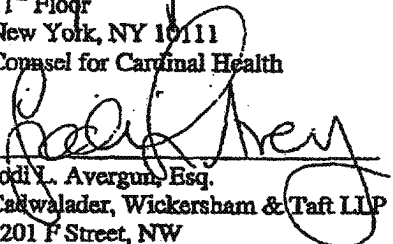
9/30/2008
Date


Ivan K. Fong
Chief Legal Officer and Secretary

Sept. 30, 2008
Date


John J. Carney, Esq.
Baker & Hostetler LLP
45 Rockefeller Plaza
11th Floor
New York, NY 10111
Counsel for Cardinal Health

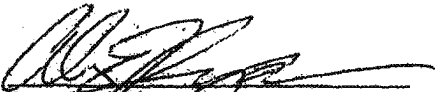
09-30-08
Date


Jodi L. Avergun, Esq.
Casswalader, Wickersham & Taft LLP
1201 F Street, NW
Washington, DC 20004
Counsel for Cardinal Health

9/30/08
Date

On Behalf of the United States of America:

Christopher J. Christie
United States Attorney
District of New Jersey


By: Alex Kriegsmann
Assistant United States Attorney

10/2/08
Date

Robert E. O'Neill
United States Attorney
Middle District of Florida


By: Javier Guzman
Assistant United States Attorney

9/30/08
Date

Donald J. DeGabrielle, Jr.,
United States Attorney
Southern District of Texas


By: Jill Venezia
Assistant United States Attorney

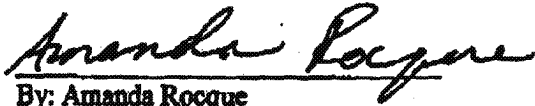
09/30/2008
Date

Jeffrey C. Sullivan
United States Attorney
Western District of Washington


By: Anastasia Bartlett
Assistant United States Attorney

9/30/2008
Date

Troy A. Eid
United States Attorney
District of Colorado



By: Amanda Rocque
Assistant United States Attorney

9-29-08
Date

David E. Nahmias
United States Attorney
Northern District of Georgia



By: Mina Rhee
Assistant United States Attorney

9-29-08
Date

Thomas P. O'Brien
United States Attorney
Central District of California



By: Shana Mintz
Assistant United States Attorney

Sept. 29, 2008
Date

ATTACHMENT A

ATTACHMENT A

(Cardinal Facilities Referenced in Paragraph 1 of this Agreement)

1. 6012 Molloy Road, Syracuse, New York, operating under DEA registration number PC0003044.
2. 2045 Interstate Drive, Lakeland, Florida, operating under DEA registration number RC0182080.
3. 1240 Gluckstadt Road, Madison, Mississippi, operating under DEA registration number RC0221236.
4. 15 Ingram Boulevard, La Vergne, Tennessee, operating under DEA registration number RC0229965 (Specialty Pharmaceutical).
5. 2512 West Cott Boulevard, Knoxville, Tennessee, operating under DEA registration number RC0238104.
6. 500 Jerry Steele Lane, McDonough, Georgia, operating under DEA registration number RC0271267.
7. 14601 County Road 212, Findlay, Ohio, operating under DEA registration number RC0313940.
8. 5995 Commerce Center Drive, Groveport, Ohio, operating under DEA registration number RC0314891.
9. 13651 Dublin Court, Stafford, Texas, operating under DEA registration number RC0333524.
10. 850 Airpark Drive, Zanesville, Ohio, operating under DEA registration number RC0346658.
11. 6640 Echo Avenue, Suite D, Reno, Nevada, operating under DEA registration number RC0361206 (Specialty Pharmaceutical).
12. 11 Centennial Drive, Peabody, Massachusetts, operating under DEA registration number RD0108200.
13. 71 Mil-Acres Drive, Wheeling, West Virginia, operating under DEA registration number RO0153609.

14. 955 West 3100 South, South Salt Lake City, Utah, operating under DEA registration number RW0191419.
15. 801 C Street NW, Suite B, Auburn, Washington, operating under DEA registration number RW0191813.
16. 7601 N.E. Gardner Avenue, Kansas City, Missouri, operating under DEA registration number RW0191926.
17. 27680 Avenue Mentry, Valencia, California, operating under DEA registration number RW0216449.
18. 2353 Prospect Drive, Aurora, Illinois, operating under DEA registration number RW0231908.
19. 3238 Dwight Road, Elk Grove, California, operating under DEA registration number RW0236009.
20. 2901 Enloe Street, Hudson, Wisconsin, operating under DEA registration number RW0243725.
21. 4 Cardinal Cardinal Health Court, Greensboro, North Carolina, operating under DEA registration number RW0243903.
22. 600 N. 83rd Avenue, Tolleson, Arizona, operating under DEA registration number RW02630056.
23. 4875 Florence Street, Denver, Colorado, operating under DEA registration number RW0263549.
24. 1120 Commerce Boulevard, Swedesboro, New Jersey, operating under DEA registration number RW0269654.
25. 851 Henrietta Creek Road, Roanoke, Texas, operating under DEA registration number RW0279996.
26. 2840 Elm Point Industrial Drive, St. Charles, Missouri, operating under DEA registration number RW0283452.
27. 4220 Hyde Park Boulevard, Niagara Falls, New York, operating under DEA registration number RP0337370 (Parmed Pharmaceuticals).

ATTACHMENT B

ATTACHMENT B

(Seven Cardinal Facilities Referenced in Paragraph 1 of this Agreement)

1. 1120 Commerce Boulevard in Swedesboro, New Jersey ("Cardinal-Swedesboro"), located within the District of New Jersey and operating under DEA registration number RW0269654;
2. 2045 Interstate Drive in Lakeland, Florida ("Cardinal-Lakeland"), located within the Middle District of Florida and operating under DEA registration number RC0182080;
3. 13651 Dublin Court in Stafford, Texas ("Cardinal-Stafford"), located within the Southern District of Texas and operating under DEA registration number RC0333524;
4. 801 C Street NW, Suite B in Auburn, Washington ("Cardinal-Auburn"), located within the Western District of Washington and operating under DEA registration number RW0191813;
5. 4875 Florence Street in Denver, Colorado ("Cardinal-Denver"), located within the District of Colorado and operating under DEA registration number RW0263549;
6. 500 Jerry Steele Lane in McDonough, Georgia ("Cardinal-McDonough"), located within the Northern District of Georgia and operating under DEA registration number RC0271267; and
7. 27680 Avenue Mentry in Valencia, California ("Cardinal-Valencia"), located within the Central District of California and operating under DEA registration number RW0216449.

Cardinal Health, Inc. v. Holder

Attachment 13 to Defendants' Opposition to Plaintiff's Motion for Preliminary Injunction



September 16, 2011

Via Email and Overnight Delivery

<template letter sent to 43 Distributors 09/16 and 09/19/11>

Dear [REDACTED]

As you are aware, all U.S. Drug Enforcement Administration ("DEA") Registrants are required by law to have a Suspicious Order Monitoring ("SOM") Program in place to monitoring sales of controlled substances. As a DEA Registrant, Mallinckrodt LLC, a Covidien company ("Mallinckrodt"), has developed and maintains a comprehensive program that includes review of customer orders, IMS data and chargeback information and, where appropriate, subsequent audits of distributors' Suspicious Order Monitoring Programs.

Effective immediately, Mallinckrodt will no longer process charge backs from distributor sales of Mallinckrodt's products to the pharmacies identified on Attachment 1 hereto. We have made this decision based on our recent site visits to these locations. We suggest that if you have sold controlled substances to any of these pharmacies, you consider conducting an on-site audit as part of your SOM Program.

We look forward to working with you to ensure that the business we conduct together meets or exceeds DEA requirements.

Thank you for your time and consideration of our request. If you have any specific questions, please contact me at (314) 654-1868.

Sincerely,

Karen Harper /s/pd

Karen Harper
Senior Manager, Controlled Substance Compliance

675 McDONNELL BOULEVARD
HAZELWOOD, MO
63042

314-654-2000 [T]

Attachment 1 to Letter Dated September 16, 2011 to [REDACTED]

AB SPECIALTY PHARMACY INC.
2311 SEVEN SPRINGS BLVD
NEW PORT RICHEY, FL 34655
DEA NO. FA0615205

MADABHUSHI PHARMACY SERVICES
14936 NORTH FLORIDA AVENUE
TAMPA, FL 33613
DEA NO. FM0698956

GULF COAST MEDICAL PHARMACY
13685 DOCTOR'S WAY
FORT MYERS, FL 33912
DEA NO. BG8830223

BELAVINASH INC. (NORTHDALE PHARMACY)
3851 NORTHDALE BLVD
NORTHDALE, FL 33624
DEA NO. FB0048341

Amerisourcebergen Progenerics
ANDA
Auburn Pharm
Bellco Drug
Bloodworth, Inc.
Burlington Drug
Capital Wholesale
Cardinal Healthcare
Cedardale Distributors
Cesar Castillo
Curascript Specialty Distribution
Dakota Drug
Masters Pharmaceuticals
DIK Drug
Associated Pharmacies, Inc. (API)
DMS Pharmaceuticals
Drogueria Betances Inc
Frank W. Kerr Wholesale
Generics of Puerto Rico
Genetco
Harvard Drug
HD Smith Wholesale
Henry Schein Inc.
KeySource Medical, Inc.
Kinray Wholesale
Lake Erie Medical, dba Quality Care Products L.L.C.
Lewis Drug
Louisiana Wholesale Drug
McKesson
Miami Luken
Morris Dickson
North Carolina Mutual (C.A.P.S.)
OptiSource LLC
PBA Health/TrueCare Pharmacy
The Premier Group
Prescription Supply
Quest Pharmaceutical
Rochester Drug
Richie Pharmacal
Smith Drug
Top Rx
Valley Wholesale Drug
Value Drug

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Cardinal Health, Inc. v. Holder

Attachment 14 to Defendants' Opposition to Plaintiff's Motion for Preliminary Injunction

Mallinckrodt LLC

Charge-back data on Oxycodone 30mg
for 2011YTD from specific Wholesale Distributors

Cardinal Health Florida 30 mg 2011 YTD

Ship To Customer Number	Ship To Customer Name	Ship To Customer Address Line 1	Ship To Customer Address Line 2	Ship To Customer City	Ship To Customer State	Ship To Customer Postal Code	DEA Number	Sold Via Parent Customer Name	Gross Sales	Sales Qty Govt UOM
52046386	GULF COAST MEDICAL PHARMACY	13685 DOCTOR'S WAY		FORT MYERS	FL	33912		CARDINAL HEALTH	\$ 424,522.12	1,268,200
52036698	BROOKS PHARMACY	3501 HEALTH CENTER BLVD		BOHITA SPRINGS	FL	34135	BC7126457	CARDINAL HEALTH	\$ 199,226.88	595,200
52056802	THE MEDICINE SHOPPE	3796 HOWELL BRANCH RD.		WINTER PARK	FL	32792	BM4362834	CARDINAL HEALTH	\$ 151,297.00	452,000
52034727	CVS	3798 ORLANDO DRIVE		SANFORD	FL	32773	BC5289055	CARDINAL HEALTH	\$ 137,566.65	450,300
52036589	CVS	4639 W 1ST ST		SANFORD	FL	32771	BC6988298	CARDINAL HEALTH	\$ 125,835.45	411,900
52005974	BARCLAY PHARMACY, INC	200 A N TAMiami TR		VENICE	FL	34285	AB8689258	CARDINAL HEALTH	\$ 121,112.94	361,800
536048	BELAVINASH INC NORTHDALE PHARMACY	3851 NORTHDALE BLVD		NORTHDALE	FL	33624	FB0048341	CARDINAL HEALTH	\$ 84,362.04	252,000
52057082	MEDICINE SHOPPE 1441 PNT GRD	615 CROSS ST.		PUNTA GORDA	FL	33950	BM4917285	CARDINAL HEALTH	\$ 84,022.30	251,000
575451	MADABHUSHI PHARMACY SERVICES	14936 NORTH FLORIDA AVENUE		TAMPA	FL	33613	FM0698956	CARDINAL HEALTH	\$ 82,758.00	247,200
52067861	RANI, INC	24718 STATE RD 54		LUTZ	FL	33559	BR7604730	CARDINAL HEALTH	\$ 75,888.25	226,700
563087	SUPER DISCOUNT PHARMACY	1423 SOUTH COLLINS STREET		PLANT CITY	FL	33566	FSM487985	CARDINAL HEALTH	\$ 75,185.52	224,600
618086	PHARMLAND LLC	AKA LIFE CARE PHARMACY	3426-13TH AVENUE NOR	SAINT PETERSBURG	FL	33713	FP1340136	CARDINAL HEALTH	\$ 73,916.04	220,800
52090799	ISLAND DRUG	1081 N COLLIER BLVD		MARCO ISLAND	FL	34145	AH0192865	CARDINAL HEALTH	\$ 72,207.39	215,700
52034801	CVS	1599 PALM BAY RD NE		PALM BAY	FL	32901	BC5290325	CARDINAL HEALTH	\$ 64,399.40	210,800
555137	CAPE CORAL EXPRESS PHARMACY	505 DEL PRADO BLVD NORTH		CAPE CORAL	FL	33909	FC0096215	CARDINAL HEALTH	\$ 67,454.65	201,500
52045295	GOLDEN GATE PHARMACY INC	11669 COLLIER BLVD		NAPLES	FL	34116	BG3157989	CARDINAL HEALTH	\$ 67,427.06	201,400
52021463	S A S B INC	DBA OKEECHOBEE DISCOUNT DRUGS	203 SOUTHWEST PARK S	OKEECHOBEE	FL	34972	AS2016219	CARDINAL HEALTH	\$ 66,692.68	199,200
52048795	HAWA PHARMACY INC	DBA MEDICINE SHOPPE 0446	646 SOUTH DILLARD ST	WINTER GARDEN	FL	34787	BH7580992	CARDINAL HEALTH	\$ 61,866.00	184,800
52005845	DAVIDS PHARMACY AND SURG	1637 NE 36TH STREET		POMPANO BEACH	FL	33064	AB7128487	CARDINAL HEALTH	\$ 60,681.18	181,300
52029197	MEDICINE SHOPPE 1277 DUNEDIN	938 PATRICIA AVE		DUNEDIN	FL	34698	BA6658124	CARDINAL HEALTH	\$ 59,687.09	178,300

Cardinal Health All Other States 30 mg 2011 YTD

Ship To Customer Number	Ship To Customer Name	Ship To Customer Address Line 1	Ship To Customer Address Line 2	Ship To Customer City	Ship To Customer State	Ship To Customer Postal Code	DEA Number	Sold Via Parent Customer Name	Gross Sales	Sales Qty Govt UOM
52032469	BER CORPORATION	1700 LAS VEGAS BLVD SOUTH		LAS VEGAS	NV	89104	BB8426204	CARDINAL HEALTH	\$ 362,908.60	1,084,100
515312	DBA LAMS PHCY COPII	2202 WEST CHARLESTON BLVD	SUITE 13	LAS VEGAS	NV	89102	BD9670058	CARDINAL HEALTH	\$ 276,201.14	825,000
657451	MEDICAL TOWERS PHARMACY	17822 BEACH BLVD		HUNTINGTON BEACH	CA	92647	FM2315186	CARDINAL HEALTH	\$ 235,424.40	703,300
649363	METRO DRUGS	6338 WEST SAHARA AVENUE		LAS VEGAS	NV	89146	FM1850228	CARDINAL HEALTH	\$ 172,195.30	514,400
52091067	LOWES DRUG INC	1536 EAST BROADWAY		MARYVILLE	TN	37804	AL2790182	CARDINAL HEALTH	\$ 144,338.39	431,200
606698	LIFEFIRST PHARMACY LLC	3233 WEST CHARLESTON BLVD	SUITE 204	LAS VEGAS	NV	89102	FL1255492	CARDINAL HEALTH	\$ 136,708.20	408,300
52068530	SOUTHWEST PHARMACIES INC	DBA THE PHARMACY SHOPPE	3201 SOUTH 16TH STREET	MILWAUKEE	WI	53215	BS0926545	CARDINAL HEALTH	\$ 132,796.84	396,700
590355	SPRING VALLEY PHARMACY	2725 SOUTH JONES STREET	SUITE 101	LAS VEGAS	NV	89146	FS0967692	CARDINAL HEALTH	\$ 120,743.79	360,700
659025	HEALTH CENTER PHARMACY	15418 CRENSHAW BLVD		GARDENA	CA	90249	FH2162167	CARDINAL HEALTH	\$ 120,409.86	359,700
654913	VILLAGE PHARMACY	18590 HIGHWAY 16	SUITE 1	PORT VINCENT	LA	70726	FP2178879	CARDINAL HEALTH	\$ 105,062.33	313,900
614387	DESERT SKY PHARMACY	6750 WEST THUNDERBIRD ROAD		PEORIA	AZ	85381	FD1234323	CARDINAL HEALTH	\$ 82,060.87	245,100
52056254	MACS PHARMACY	2419 WASHINGTON PIKE		KNOXVILLE	TN	37917	BM3192767	CARDINAL HEALTH	\$ 73,645.13	220,000
622219	PARADISE VALLEY PHARMACY	3805 EAST BELL ROAD	SUITE 1900	PHOENIX	AZ	85032	FP1538113	CARDINAL HEALTH	\$ 72,315.78	216,000
52020946	RIGGS DRUG	502 W CENTRAL AVE.		LA FOLLETTE	TN	37756	AR9796105	CARDINAL HEALTH	\$ 71,203.29	212,700
622771	RED MOUNTAIN PHARMACY	6828 EAST BROWN ROAD	SUITE 101	MESA	AZ	85207	FK1381362	CARDINAL HEALTH	\$ 70,770.21	211,400
562321	FARMACIA DEL PUEBLO	2123 CIVIC CENTER DRIVE		NORTH LAS VEGAS	NV	89030	FF0465880	CARDINAL HEALTH	\$ 67,542.46	201,800
52057938	MEDICAP PHARMACY 182	11460 12 MILE ROAD		WARREN	MI	48093	BM6636611	CARDINAL HEALTH	\$ 65,010.36	194,200
52045694	MCLAIR GRIFFIN PHCY DME	860 MONTCLAIR RD.		BIRMINGHAM	AL	35213	BG5508099	CARDINAL HEALTH	\$ 63,632.07	190,100

Contains Confidential and Proprietary Information

Mallinckrodt LLC

Charge-back data on Oxycodone 30mg
for 2011YTD from specific Wholesale Distributors

651224 RIGGS DRUG	604 EAST EMORY ROAD	604 EAST EMORY ROAD	37849	FR2113265	CARDINAL HEALTH	\$ 58,390.90	177,400
52063841 PROSPERITY PHARMACY	8505 ARLINGTON BLVD.	8505 ARLINGTON BLVD.	27031	886150663	CARDINAL HEALTH	\$ 58,413.06	174,500

Cardinal Health, Inc. v. Holder

Attachment 15 to Defendants' Opposition to Plaintiff's Motion for Preliminary Injunction



**U.S. Department of Justice
Drug Enforcement Administration**

Office of the Administrator

Springfield, Va 22152

FEB 02 2012

IN THE MATTER OF

Cardinal Health
2045 Interstate Drive
Lakeland, Florida 33805

**ORDER TO SHOW CAUSE AND
IMMEDIATE SUSPENSION OF REGISTRATION**

PURSUANT to Sections 303 and 304 of the Controlled Substances Act, Title 21,
United States Code, Sections 823 and 824,

NOTICE is hereby given to inform Cardinal Health ("Cardinal") of the immediate suspension of Drug Enforcement Administration ("DEA") Certificate of Registration RC0182080, pursuant to 21 U.S.C. § 824(d), because such registration constitutes an imminent danger to the public health and safety. Notice is also given to afford Cardinal an opportunity to show cause before DEA, at DEA Headquarters located at 600 Army Navy Drive, Arlington, Virginia, or a location designated by the Administrative Law Judge, on April 3, 2012 (if Cardinal requests such a hearing), as to why DEA should not revoke Cardinal's DEA Certificate of Registration RC0182080, pursuant to 21 U.S.C. § 824(a)(4), deny any pending applications for renewal or modification of such registration, and deny any applications for additional registration, pursuant to 21 U.S.C. § 823(f), because Cardinal's continued registration is inconsistent with the public interest, as that term is defined in 21 U.S.C. § 823(f). The basis for this Order to Show Cause and Immediate Suspension of Registration is set forth in the following non-exhaustive summary of facts.

1. Cardinal is registered with DEA as a distributor in Schedules II-V pursuant to DEA Certificate of Registration RC0182080 at 2045 Interstate Drive, Lakeland, Florida 33805. DEA Certificate of Registration RC0182080 expires by its terms on August 31, 2012.

2. On September 30, 2008, Cardinal entered into an Administrative Memorandum of Agreement (MOA) with DEA agreeing to "maintain a compliance program designed to detect and prevent diversion of controlled substances as required under the CSA and applicable DEA regulations." Furthermore, Cardinal "acknowledg[ed] and agree[d] that the obligations undertaken ... do not fulfill the totality of its obligations to maintain effective controls against the diversion of controlled substances or to detect and report to DEA suspicious orders for

controlled substances.” MOA, at 3.

3. Despite the MOA, the specific guidance provided to Cardinal by DEA, and despite the public information readily available regarding the oxycodone epidemic in Florida, Cardinal has failed to maintain effective controls against the diversion of controlled substances into other than legitimate medical, scientific, and industrial channels, in violation of 21 U.S.C. §§ 823(b)(1) and (e)(1).

4. Since at least 2009, Cardinal’s largest purchasers of oxycodone products have been retail pharmacies in the State of Florida engaged in a scheme to distribute controlled substances based on purported prescriptions that were issued for other than a legitimate medical purpose and outside the usual course of professional practice.

- a. From January 1, 2008 through December 31, 2011, Automation of Reports and Consolidated Orders System (“ARCOS”) data shows that Cardinal’s sales of oxycodone products to its top four retail pharmacy customers exceeded 12.9 million dosage units. In 2010 and 2011 alone, Cardinal sold 10.9 million dosage units of oxycodone to its top four customers. From 2008 to 2009, Cardinal’s sales to its top four retail pharmacy customers increased approximately 803%. From 2009 to 2010, Cardinal’s sales to its top four retail pharmacy customers increased approximately 162%.

The egregious quantities of oxycodone distributed by Cardinal to its top four retail pharmacy customers well exceeded the amount of oxycodone distributed to Cardinal’s Florida retail pharmacies, which received, on average, approximately 5,347 dosage units of oxycodone per month.

- b. From January 1, 2008 through December 31, 2011, Cardinal sold over 5 million dosage units of oxycodone to its top customer, Holiday CVS, L.L.C., d/b/a CVS/Pharmacy # 00219 (“CVS 219”) (DEA Certificate of Registration BC5289055). On average, Cardinal sold CVS 219 approximately 137,994 dosage units of oxycodone per month during the same time period.
- c. From January 1, 2008 through September 30, 2011, Cardinal sold approximately 3.4 million dosage units of oxycodone to Gulf Coast Pharmacy (former DEA Certificate of Registration BG8830223). On average, Cardinal sold Gulf Coast Pharmacy approximately 96,664 dosage units of oxycodone per month during the same time period.
- d. From January 1, 2008 through December 31, 2011, Cardinal sold approximately 2.2 million dosage units of oxycodone to Holiday CVS, L.L.C., d/b/a CVS/Pharmacy #05195 (“CVS 5195”) (DEA Certificate of Registration BC6988298). On average, Cardinal sold CVS 5195 approximately 58,223 dosage units of oxycodone per month during the same time period.

- e. From January 1, 2008 through September 30, 2011, Cardinal sold approximately 2.1 million dosage units of oxycodone to Caremed Health Corporation, d/b/a Brooks Pharmacy ("Brooks Pharmacy") (former DEA Certificate of Registration BC7126457). On average, Cardinal sold Brooks Pharmacy approximately 59,264 dosage units of oxycodone per month during the same time period.

5. Notwithstanding the large quantities of controlled substances ordered by Cardinal's top retail pharmacy customers, Cardinal failed to conduct meaningful due diligence to ensure that the controlled substances were not diverted into other than legitimate channels, including Cardinal's failure to conduct due diligence of its retail pharmacy chain customers. Furthermore, Cardinal failed to detect and report suspicious orders of oxycodone products by its pharmacy customers, as required by 21 C.F.R. §1301.74(b). In addition, Cardinal's conduct described herein violated the provisions of the Administrative Memorandum of Agreement.

6. In addition to the legal authorities cited above, the following Final Order provides a summary of the legal basis for this action: *Southwood Pharmaceuticals, Inc.*, 72 Fed. Reg. 36,487 (2007).

IN view of the foregoing, and pursuant to 21 U.S.C. §§ 823(f) and 824(a)(4), it is my preliminary finding that Cardinal's continued registration is inconsistent with the public interest. Under the facts and circumstances described herein, it is my conclusion that Cardinal's continued registration while these proceedings are pending constitutes an imminent danger to the public health and safety. *See* 21 U.S.C. § 824(d). Accordingly, pursuant to the provisions of 21 U.S.C. § 824(d) and 21 C.F.R. § 1301.36(e), and the authority granted me under 28 C.F.R. § 0.100, DEA Certificate of Registration RC0182080 is hereby suspended, effective immediately. Such suspension shall remain in effect until a final determination is reached in these proceedings.

PURSUANT to 21 U.S.C. § 824(f) and 21 C.F.R. § 1301.36(f), the Special Agents and Diversion Investigators of the DEA who serve this Order to Show Cause and Immediate Suspension of Registration are authorized to place under seal or to remove for safekeeping all controlled substances that Cardinal possesses pursuant to the registration which I have herein suspended. The said Agents and Investigators are also directed to take into their possession Cardinal's DEA Certificate of Registration RC0182080 and any unused order forms.

THE following procedures are available to you in this matter:

1. Within 30 days after the date of receipt of this Order to Show Cause and Immediate Suspension of Registration, Cardinal may file with the DEA a written request for a hearing in the form set forth in 21 C.F.R. § 1316.47. *See* 21 C.F.R. § 1301.43(a). If Cardinal fails to file such a request, the hearing shall be cancelled in accordance with paragraph 3, below.
2. Within 30 days after the date of receipt of this Order to Show Cause and Immediate Suspension of Registration, Cardinal may file with the DEA a waiver of hearing together with a written statement regarding its respective positions on the matters of fact and law involved. *See* 21 C.F.R. § 1301.43(c).

3. Should Cardinal decline to file a request for a hearing or, should Cardinal request a hearing and then fail to appear at the designated hearing, Cardinal shall be deemed to have waived the right to a hearing and the DEA may cancel such hearing, and I may enter my final order in this matter without a hearing based upon the evidence presented to me. *See* 21 C.F.R. §§ 1301.43(d) and 1301.43(e).

Correspondence concerning this matter, including requests referenced in paragraphs 1 and 2 above, should be addressed to the Hearing Clerk, Office of Administrative Law Judges, Drug Enforcement Administration, 8701 Morrisette Drive, Springfield, VA 22152. Matters are deemed filed upon receipt by the Hearing Clerk. *See* 21 C.F.R. § 1316.45. A copy of the same shall also be served on the Government counsel listed below and be addressed to the Office of Chief Counsel, Diversion and Regulatory Litigation, 8701 Morrisette Drive, Springfield, VA 22152.



Michele M. Leonhart
Administrator
Drug Enforcement Administration

cc: Hearing Clerk, Office of Administrative Law Judges
Dedra S. Curteman, Counsel for the Government
Carrie A. Bland, Counsel for the Government

REQUEST FOR HEARING

Any person desiring a hearing with regard to an Order to Show Cause must, within thirty (30) days from receipt of the Order to Show Cause, file a request for a hearing in the following format:

[DATE]

DEA Headquarters
Office of the Administrative Law Judges
Hearing Clerk
8701 Morrisette Drive
Springfield, Virginia 22152

Dear Madam:

The undersigned, [Name of person], hereby requests a hearing in the matter of [Identification of the proceeding].

- (A) [State with particularity the interest of the person in the proceeding.]
- (B) [State with particularity of the objections or issues, if any concerning which the person desires to be heard.]
- (C) [State briefly the position of the person with regard to the particular objections or issues.]
- (D) [Name (either registrant, applicant, or attorney), address (including street address, city, state, and zip code), and telephone number (including area code) of person to whom all subsequent notices or mailings in this proceeding should be sent.]

Respectfully yours,

[Signature of registrant, applicant
or attorney]

Note: Pursuant to 21 CFR 1316.47(b), the Administrative Law Judge, upon request and showing of good cause, may grant a reasonable extension of time allowing for response to an Order to Show Cause.

Cardinal Health, Inc. v. Holder

Attachment 16 to Defendants' Opposition to Plaintiff's Motion for Preliminary Injunction

Comparison of Monthly Sales by Cardinal Health, DEA Number RC0182080 of Oxycodone

January 1, 2008 – October 31, 2011

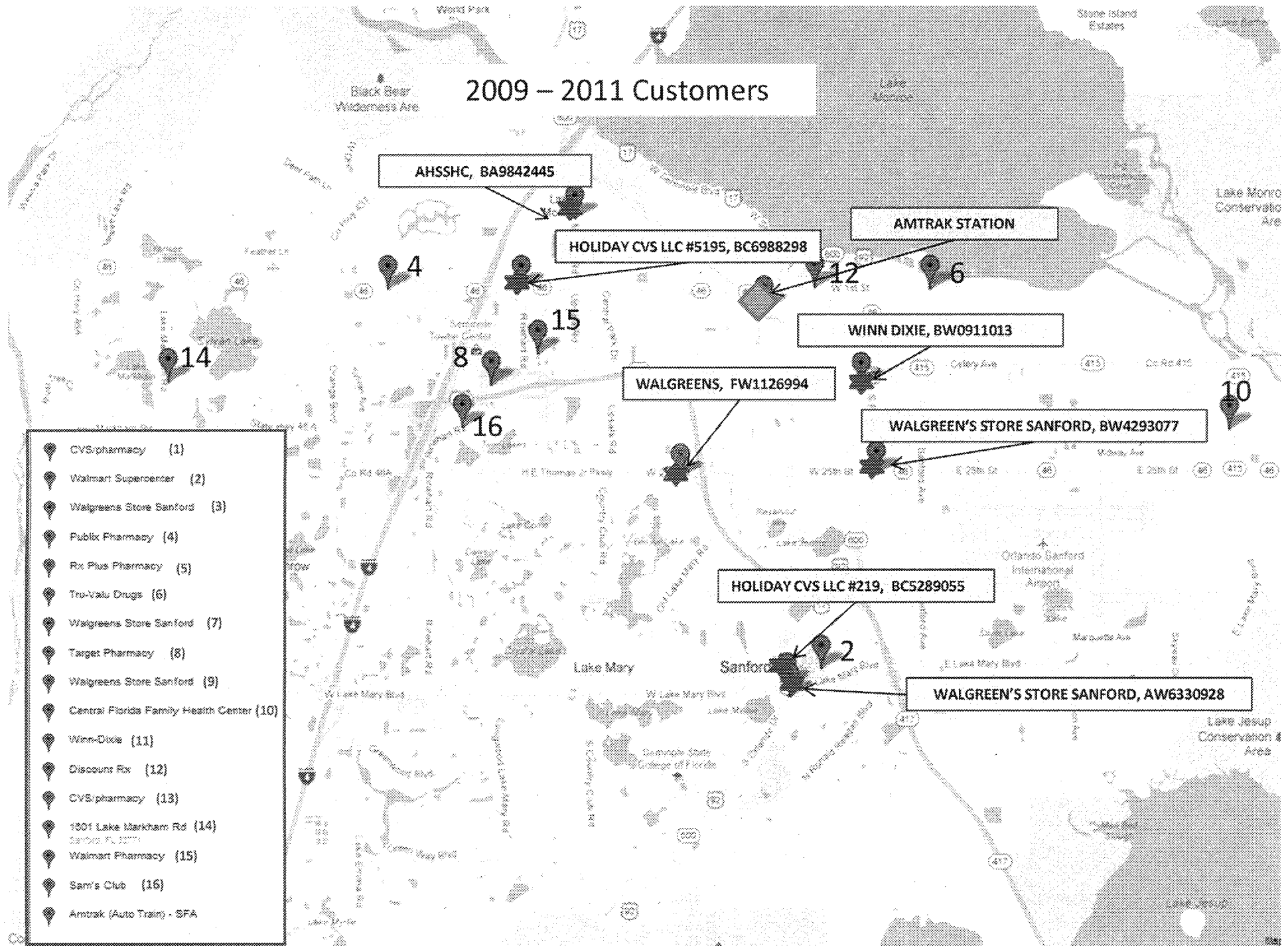
Years	Month	Oxycodone 30mg			Remaining Oxycodone Drug Strength (Excluding Oxycodone 30mg)			All Oxycodone		
		Number of Pharmacies	Total Dosage Units	Average	Number of Pharmacies	Total Dosage Units	Average	Number of Pharmacies	Total Dosage Units	Average
2008	Oct	6	3,800	633	16	13,600	850	16	17,400	1,088
	Nov	902	1,336,200	1,481	1,902	5,682,340	2,988	1,918	7,018,540	3,659
	Dec	1,152	1,789,600	1,553	2,002	7,161,120	3,577	2,019	8,950,720	4,433
2009	Jan	1,538	2,318,800	1,508	2,003	6,425,660	3,208	2,041	8,744,460	4,284
	Feb	1,504	2,308,900	1,535	1,948	4,946,440	2,539	2,023	7,255,340	3,586
	Mar	914	1,277,200	1,397	2,071	8,435,260	4,073	2,075	9,712,460	4,681
	Apr	1,023	1,974,400	1,930	2,053	7,609,420	3,706	2,059	9,583,820	4,655
	May	913	1,745,700	1,912	1,766	6,677,060	3,781	1,785	8,422,760	4,719
	Jun	910	1,757,600	1,931	1,904	6,810,340	3,577	1,916	8,567,940	4,472
	Jul	914	1,845,400	2,019	1,882	6,915,740	3,675	1,892	8,761,140	4,631
	Aug	1,165	2,017,300	1,732	1,848	6,281,020	3,399	1,927	8,298,320	4,306
	Sep	987	2,326,400	2,357	1,764	6,875,380	3,898	1,812	9,201,780	5,078
	Oct	974	2,275,700	2,336	1,801	6,845,880	3,801	1,828	9,121,580	4,990
	Nov	802	1,708,500	2,130	1,514	5,634,000	3,721	1,563	7,342,500	4,698
	Dec	893	2,217,300	2,483	1,591	6,685,440	4,202	1,620	8,902,740	5,496
2010	Jan	748	1,892,400	2,530	1,622	5,948,800	3,668	1,629	7,841,200	4,814
	Feb	899	1,956,600	2,176	1,522	5,773,220	3,793	1,587	7,729,820	4,871
	Mar	834	2,139,700	2,566	1,596	6,900,640	4,324	1,634	9,040,340	5,533
	Apr	835	2,042,200	2,446	1,636	6,472,320	3,956	1,659	8,514,520	5,132
	May	1,202	2,390,300	1,989	1,575	5,833,080	3,704	1,711	8,223,380	4,806
	Jun	1,086	2,830,300	2,606	1,543	6,635,360	4,300	1,650	9,465,660	5,737
	Jul	1,120	3,630,600	3,242	1,736	6,768,900	3,899	1,770	10,399,500	5,875
	Aug	926	3,835,900	4,142	1,603	6,883,460	4,294	1,637	10,719,360	6,548
	Sep	868	3,941,600	4,541	1,832	7,360,740	4,018	1,839	11,302,340	6,146
	Oct	849	3,703,600	4,362	1,575	6,477,740	4,113	1,583	10,181,340	6,432
	Nov	864	3,624,900	4,195	1,655	6,707,200	4,053	1,673	10,332,100	6,176
	Dec	1,115	4,285,100	3,843	1,708	7,145,680	4,184	1,776	11,430,780	6,436
2011	Jan	1,305	4,030,800	3,089	1,627	6,301,280	3,873	1,769	10,332,080	5,841
	Feb	1,347	4,189,600	3,110	1,675	5,851,760	3,494	1,822	10,041,360	5,511
	Mar	882	4,167,100	4,725	1,766	7,360,340	4,168	1,779	11,527,440	6,480
	Apr	889	4,148,500	4,666	1,701	6,141,140	3,610	1,711	10,289,640	6,014
	May	881	3,943,700	4,476	1,549	6,252,640	4,037	1,567	10,196,340	6,507
	Jun	950	4,337,100	4,565	1,685	6,990,760	4,149	1,720	11,327,860	6,586
	Jul	869	3,930,000	4,522	1,661	6,226,840	3,749	1,677	10,156,840	6,057
	Aug	889	4,191,120	4,714	1,517	6,623,920	4,366	1,536	10,815,040	7,041
	Sep	851	4,000,420	4,701	1,505	6,136,980	4,078	1,526	10,137,400	6,643
	Oct	862	3,243,800	3,763	1,608	5,743,920	3,572	1,634	8,987,720	5,500
	Nov	867	2,712,300	3,128	1,426	5,865,840	4,113	1,448	8,578,140	5,924
	Dec	826	2,231,700	2,702	1,429	5,828,440	4,079	1,455	8,060,140	5,540

Comparison of Monthly Sales by Cardinal Health, DEA Number RC0182080 of Oxycodone
January 1, 2008 – October 31, 2011

		Oxycodone 30mg			Remaining Oxycodone Drug Strength (Excluding Oxycodone 30mg)			All Oxycodone		
		Number of Pharmacies	Total Dosage Units	Average	Number of Pharmacies	Total Dosage Units	Average	Number of Pharmacies	Total Dosage Units	Average
	Years	37,361	108,302,140	2,899	64,817	247,229,700	3,814	66,286	355,531,840	5,364
Grand Total										

Cardinal Health, Inc. v. Holder

Attachment 17 to Defendants' Opposition to Plaintiff's Motion for Preliminary Injunction



Sales to Pharmacies in Sanford, Florida

Pharmacy's DEA Number	Pharmacy's Name	City	Sales by Cardinal Health (RC0182080)	Sales by Remaining Suppliers	Dosages Units
BC5289055	HOLIDAY CVS, L.L.C.	SANFORD	1,258,600	0	1,258,600
BV9473985	VANDANA INC	SANFORD	0	897,000	897,000
AT8818467	TRU-VALU DRUGS OF SANFORD	SANFORD	0	580,700	580,700
BW4293077	WALGREEN CO.	SANFORD	14,600	244,800	259,400
BW0911013	WINN DIXIE STORES, INC.	SANFORD	206,800	8,000	214,800
BA9842445	AHSSHC	SANFORD	125,900	0	125,900
BC6988298	HOLIDAY CVS, L.L.C.	SANFORD	104,500	0	104,500
BA6985850	ALBERTSONS LLC #04471	SANFORD	0	104,300	104,300
AW6330928	WALGREEN CO.	SANFORD	10,000	55,300	65,300
FW1126994	WALGREEN CO	SANFORD	7,400	54,400	61,800
BS7997666	SAM'S PHARMACY 10-4785	SANFORD	0	48,200	48,200
BW8619807	WAL-MART PHARMACY 10-3207	SANFORD	0	43,900	43,900
BP6561193	PUBLIX SUPER MARKET	SANFORD	0	40,000	40,000
BW5455919	WAL-MART PHARMACY 10-0857	SANFORD	0	38,900	38,900
BT9112878	TARGET STORES A DIV.OF TARGET CORP.	SANFORD	0	37,900	37,900
AS7962005	CENTRAL FLA FAMILY HEALTH	SANFORD	0	0	0
BT9005720	TEAMCARE INFUSION ORLANDO, INC	SANFORD	0	0	0
2009 Total Dosage Units			1,727,800	2,153,400	3,881,200

Pharmacy's DEA Number	Pharmacy's Name	City	Sales by Cardinal Health (RC0182080)	Sales by Remaining Suppliers	Dosages Units
BC5289055	HOLIDAY CVS, L.L.C.	SANFORD	2,048,100	0	2,048,100
BV9473985	VANDANA INC	SANFORD	0	954,500	954,500
BC6988298	HOLIDAY CVS, L.L.C.	SANFORD	885,900	0	885,900
AT8818467	TRU-VALU DRUGS OF SANFORD	SANFORD	0	794,600	794,600
BW4293077	WALGREEN CO.	SANFORD	13,800	371,200	385,000
FW1126994	WALGREEN CO	SANFORD	5,400	162,300	167,700
BA9842445	AHSSHC	SANFORD	147,420	0	147,420
BS7997666	SAM'S PHARMACY 10-4785	SANFORD	0	71,100	71,100
BW8619807	WAL-MART PHARMACY 10-3207	SANFORD	0	68,800	68,800
BT9112878	TARGET STORES A DIV.OF TARGET CORP.	SANFORD	0	61,600	61,600
AW6330928	WALGREEN CO.	SANFORD	900	48,200	49,100
BP6561193	PUBLIX SUPER MARKET	SANFORD	0	33,500	33,500
BW5455919	WAL-MART PHARMACY 10-0857	SANFORD	0	30,500	30,500
BW0911013	WINN DIXIE STORES, INC.	SANFORD	0	19,300	19,300
BA6985850	ALBERTSONS LLC #04471	SANFORD	0	4,500	4,500
AS7962005	CENTRAL FLA FAMILY HEALTH	SANFORD	0	0	0
BT9005720	TEAMCARE INFUSION ORLANDO, INC	SANFORD	0	0	0
2010 Total			3,101,520	2,620,100	5,721,620

Sales to Pharmacies in Sanford, Florida					
Pharmacy's DEA Number	Pharmacy's Name	City	Sales by Cardinal Health (RC0182080)	Sales by Remaining Suppliers	Dosages Units
BC5289055	HOLIDAY CVS, L.L.C.	SANFORD	1,802,100	0	1,802,100
BC6988298	HOLIDAY CVS, L.L.C.	SANFORD	1,210,400	0	1,210,400
BW4293077	WALGREEN CO.	SANFORD	9,900	465,900	475,800
AT8818467	TRU-VALU DRUGS OF SANFORD	SANFORD	0	449,360	449,360
BV9473985	VANDANA INC	SANFORD	0	256,000	256,000
FW1126994	WALGREEN CO	SANFORD	3,200	201,700	204,900
AW6330928	WALGREEN CO.	SANFORD	2,600	173,900	176,500
BA9842445	AHSSHC	SANFORD	115,920	41,700	157,620
BT9112878	TARGET STORES A DIV OF TARGET CORP.	SANFORD	0	100,200	100,200
BW8619807	WAL-MART PHARMACY 10-3207	SANFORD	0	99,200	99,200
BS7997666	SAM'S PHARMACY 10-4785	SANFORD	0	52,100	52,100
BW5455919	WAL-MART PHARMACY 10-0857	SANFORD	0	30,500	30,500
BP6561193	PUBLIX SUPER MARKET	SANFORD	0	25,700	25,700
BW0911013	WINN DIXIE STORES, INC.	SANFORD	0	14,800	14,800
AS7962005	CENTRAL FLA FAMILY HEALTH	SANFORD	0	0	0
BT9005720	TEAMCARE INFUSION ORLANDO, INC	SANFORD	0	0	0
2011 Total			3,144,120	1,911,060	5,055,180

* There were Seven (7) Total Pharmacies in the City of Sanford, Florida that Purchased Oxycondone from Cardinal Health-Lakeland between 01/01/2009-12/31/2011

Cardinal Health, Inc. v. Holder

Attachment 18 ***to*** ***Defendants' Opposition to Plaintiff's*** ***Motion for Preliminary Injunction***

Pharmacies near 4639 W 1st Street, Sanford, FL 32771 - Google Maps - Windows Internet Explorer

File Edit View Favorites Tools Help

Favorites Suggested Sites Free Hotmail Web Site Gallery

Pharmacies near 4639 W 1st Street, Sanford, FL 327... Sign in

Google

Pharmacies near 4639 W 1st Street, Sanford, FL 32771

Publix Pharmacy #0641
5240 West State Road 46
Sanford, FL 32771

25,700 units of oxycodone purchased in CY2011

CVS Pharmacy #05195
4639 West 1st Street
Sanford, FL 32771

1,210,400 units of oxycodone purchased in CY2011

+You Search Images Videos Maps News Shopping Gmail More

start My Computer Pharmacies near 463...

Cardinal Health, Inc. v. Holder

Attachment 19 ***to*** ***Defendants' Opposition to Plaintiff's*** ***Motion for Preliminary Injunction***

The figure is a screenshot of a Google Maps interface showing an aerial view of Sanford, Florida. Three specific pharmacies are highlighted with white information boxes. The first box, for CVS Pharmacy #00219 at 3798 Orlando Drive, reports 1,802,100 units of oxycodone purchased in CY2011. The second box, for Wal-Mart Pharmacy #10-0857 at 3653 Orlando Drive, reports 30,500 units of oxycodone purchased in CY2011. The third box, for Walgreens #06970 at 3803 S. Orlando Drive, reports 176,500 units of oxycodone purchased in CY2011. The map includes street names like Orlando Blvd, Wilke Mary Blvd, and S. Orlando Blvd, and a search bar at the top.

Pharmacy Name	Address	Oxycodone Units Purchased (CY2011)
CVS Pharmacy #00219	3798 Orlando Drive, Sanford, FL 32773	1,802,100
Wal-Mart Pharmacy #10-0857	3653 Orlando Drive, Sanford, FL 32773	30,500
Walgreens #06970	3803 S. Orlando Drive, Sanford, FL 32773	176,500

Cardinal Health, Inc. v. Holder

Attachment 20 to Defendants' Opposition to Plaintiff's Motion for Preliminary Injunction



Document Title	Issue Date	Document Number	
SALES – HIGHLIGHT REPORT	01/07/10	PDQRA-SAD-C006	
Org. Office	Previous Issue	Page	Change Number
Pharmaceutical Distribution	06/09/09	1 of 4	DCN-2523

1.0 PURPOSE The Federal Controlled Substances Act requires pharmaceutical wholesalers to maintain effective controls to guard against the diversion of controlled substances. As part of this requirement, Cardinal Health has developed a Suspicious Order Monitoring (SOM) program to identify orders of unusual size, pattern, and/or frequency. This policy provides process requirements for the use of the Highlight Report and any subsequent activities.

2.0 SCOPE This policy applies to Sales personnel and DC Compliance Officers.

3.0 INCLUDED ATTACHMENTS AND FORMS None

4.0 POLICY The Anti-Diversion team, within QRA, Supply Chain Integrity, is responsible for the continuous reporting of threshold events identified during the execution of the Suspicious Order Monitoring (SOM) program. The reporting encompasses two components: 1) Internal reports that assist in the evaluation of threshold events; and 2) communication of the threshold events to the Sales department.

4.1 Definitions

Dialogue Event Is a notification when a customer's order accrual for the month has reached a pre-determined percentage of their threshold. A customer's threshold number, or the pre-determined percentage at which notification is made are never shared with the customer. The dialogue event allows for the request and collection of necessary information that will help Cardinal understand whether a threshold needs to be altered or whether the customer's orders might be suspicious.

Held Order A held order occurs when a customer's accrual for a drug family in a given month surpasses the assigned QRA threshold limit. When this occurs, the order that exceeds the threshold limit is held pending Regulatory Review. Subsequent orders within the same drug family will be held as a continuation of the original event. These orders will not trigger a notification to sales but will appear as "held pending regulatory review" on customer invoice.

Threshold Event Is defined as the initial held order created by a DEA #, Base Code, Threshold Limit combination.

DEA Limit Over Threshold Report A report generated by members of IT that contains all threshold events from a specified date.

Customer Profile A report generated by QRA that contains various background, licensing, and analytical metrics relevant to the customer that assist in the evaluation of threshold events.

Distrack Held Order Report A report generated by QRA that contains all current orders held as a result of the customer's accrual for a drug family exceeding the assigned QRA threshold limit.

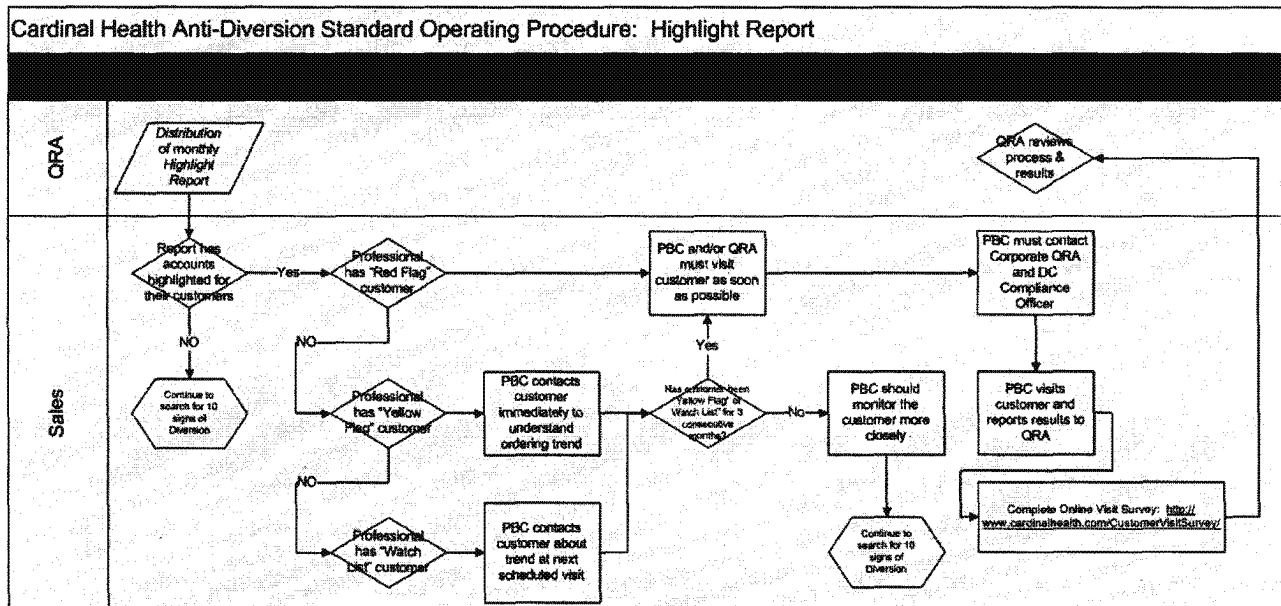
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4.2 Process Map



4.3 Procedures for Reporting

The following procedures outline the process for the Salesperson responding to the Highlight Report. Highlight Reports illustrate order history and is not related to Threshold Events.

4.3.1 Highlight Report Monitoring

1. If the report does not highlight any particular customer for each respective salesperson, then the salesperson continues to monitor all customers for the Anti-Diversion alert signals
 - a. **Anti-Diversion alert signals:**
 - Pharmacies with minimal or no front end merchandise.
 - Pharmacies with little or no walk-in business.
 - Pharmacies with primarily cash customers.
 - Pharmacies ordering a high percentage of controlled substances relative to non-controlled substances.
 - Pharmacies ordering excessive quantities of a limited variety of controlled substances.
 - One or more practitioners writing a disproportionate share of the prescriptions for controlled substances being filled;
 - The pharmacy solicits buyers of controlled substances via the Internet.
2. Threshold Events and Highlight Reports may not be related. Each highlighted customer will fall into one of two categories: red flag

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customers or yellow flag customers.

4.3.2 Red Flag Customers: 15% increase in sales (at least \$10,000) and 20% or more increase in dosage units for controlled substance / List one chemical orders.

1. Salesperson must visit the customer within 30 days to investigate for potential diversion.
 - Customers appearing on multiple Red Flag reports within the same fiscal quarter will only require one site visit. Subsequent site visits within the same quarter are at the salesperson's discretion or at the specific request of QRA.
2. Salesperson must contact Corporate QRA and the respective DC Compliance Officer to report results of the visit if signs of diversion are present.
 - DC Compliance Officers will each attend up to three sales site visits per fiscal quarter with Sales
3. Salesperson must complete the online site visit survey following each visit: <http://my.cardinalhealth.net/CustomerVisit>

4.3.3 Yellow Flag Customers: 15% increase in sales (at least \$10,000) and 10-19% increase in dosage units for controlled substance / List one chemical orders

1. Salesperson must contact the customer within 30 days to better understand the increased ordering trends and investigate for potential signs of diversion, but a site visit is not required.
2. If the customer has been a yellow flag for consecutive months:
 - Salesperson must visit the customer within 30 days to investigate for potential diversion.
 - Salesperson will contact Corporate QRA and the respective DC Compliance Officer and report results of the visit if signs of diversion are present.
 - Salesperson must complete the online site visit survey for each visit: <http://my.cardinalhealth.net/CustomerVisit>.

4.4 Responsibility On an on-going, continuous basis, each individual Sales Representative is responsible for the execution of this SOP.

5.0 APPLICABLE DOCUMENTS

<u>PDQRA-SAD-C005</u>	Sales – Early Dialogue
Customer Visit Survey	http://my.cardinalhealth.net/CustomerVisit

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Approvals on file in the Pharmaceutical Distribution Document Center			
Approvers: Michael Mone'		Owner: Nicholas Rausch	
		Doc Center: Jason Paul Snouffer	
Change History			
DCN-2523	01/07/10	Revised section 4.3. Updated to conform to current Cardinal Health Pharmaceutical restructuring.	
		Updated document number from HSCSQRA-CAD-C006 to PDQRA-CAD-C006.	
DCN-2422	06/09/09	Complete re-write of entire procedure to conform to existing Cardinal Health practices.	
DCN-2291	12/22/08	Initial release of new procedure, HSCSQRA-SAD-C006.	

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